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PRESIDENT

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PPM-004-2004  
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POLICY MEMORANDUM FOR USUHS PERSONNEL

Subject: APPROPRIATE USE OF SPECIAL PROJECTS FUNDS/EDUCATION  
PROGRAM FUNDS

**I. BACKGROUND**

One of the General Principles of Ethical Conduct for Federal employees is that "an employee shall not . . . solicit or accept any gift or other item of monetary value from any person or entity seeking official action from, doing business with, or conducting activities regulated by the employee's agency, or whose interests may be substantially affected by the performance or nonperformance of the employee's duties." This principle applies to all actions involving the Henry M. Jackson Foundation for the Advancement of Military Medicine ("Foundation" or "HJF") as well as all other entities with which the University does business.

Furthermore, as a general rule, Federal employees may not accept payment or reimbursement from non-Federal sources. In fact, various criminal statutes enumerate circumstances under which it is not only unethical but also criminal to accept payment from non-Federal sources. There are some exceptions, but they must be exercised with great care to ensure that the University and its employees are behaving in an ethical manner.

The University's Congressionally established relationship with the Foundation allows USU to enter into agreements with the Foundation for the furtherance of medical research, medical consultation, and medical education. In 1991, the University entered into a Basic Operating Agreement with the Foundation, and the University and the Foundation have since agreed to some 20 plus subagreements. Paragraph III (7) of the Basic Operating Agreement says,

The Foundation will administer a variety of endowment and special project funds which encourage the development of scholarship, research and clinical excellence in the medical field. The Foundation shall recover indirect costs on the funds expended for endowment and special project activities at applicable rates.

Clearly, those Special Project Funds (since renamed Education Program Funds) may be used for the benefit of University departments in furtherance of the University's mission.

Accordingly, this document provides guidance to enable employees to use Education Program Funds within the context of applicable rules. University employees will use the following guidelines when dealing with Foundation Special Project/ Education Program Funds. Please understand that this is not an exhaustive discourse on the subject but rather brief guidance. If there are questions, you must seek clarification and guidance from a University ethics counselor before you take action.

## II. GENERAL GUIDELINES

1. No monies from an Education Program Fund may be expended for the personal use or benefit of a University employee.
2. No monies from an Education Program Fund may be expended for any purpose inconsistent with the purpose for which the Fund was established. Accordingly, each Fund Coordinator must be familiar with the document establishing the Fund.
3. All expenditure requests will require two signatures -- that of the requester and the Fund Coordinator. If the Department Chair is being reimbursed, approval of the Dean or a University ethics counselor is required. [See the procedure below.]
4. There are two USU forms that must be used to request expenditure of HJF Education Program Funds:
  - A. Travel and related expenses. Requests to approve the acceptance of travel and related expenses from HJF Education Program Funds or other Non-Federal sources for official TDY travel require the submission of the "NON-FEDERAL SOURCE TRAVEL REQUEST" form. [See the procedure below.] **This requirement does not apply to travel using grant funds.**
  - B. Expenses other than travel. Except as noted below, requests to approve the acceptance of expenses, other than travel, for educational, scientific and related activities, from HJF Education Program Funds or other Non-Federal sources require the submission of the "USE OF NON-PROFIT FUNDS BY FEDERAL EMPLOYEES" form. [See the procedure below.]
5. As outlined below, many expenditures of Education Program Funds will require prior approval by a University ethics counselor. Approval may be accomplished by E-mail or written memorandum; oral approval is not sufficient.
6. **NOTE:** "Flower Funds" (funds raised for a specific purpose, such as providing flowers or other gifts to a co-worker upon the occurrence of an event, completely comprised of voluntary employee contributions and not administered by HJF) are not covered under this guidance.

## III. APPROPRIATE USES

### 1. Food, Beverages, and Meals

- A. In conjunction with a meeting open to the community.

When in conjunction with a USU-sponsored conference or meeting that is open to the community (such as Grand Rounds, a seminar, or a symposium), use of HJF Education Program Funds is appropriate.

i. Payment from Education Program Funds should be made directly by the Foundation to the vendor. If the Foundation provides direct payment to the vendor, approval by a University ethics counselor is not required.

ii. It should be a *rare instance* in which a University employee seeks reimbursement from a Foundation Education Program Fund for purchases of food, beverages, and meals. In such a rare event:

- a. For amounts of \$50.00 or less per event, direct reimbursement from Education Program Funds may be obtained without approval by a University ethics counselor.
- b. For amounts over \$50.00 per event, prior approval by a University ethics counselor is required. This should also be coordinated in advance with the Foundation.

**B. In conjunction with a meeting not open to the community.**

i. When a non-USU speaker is invited to dine with students, residents, and faculty to exchange ideas and information, the sponsoring employee may seek to be reimbursed from Education Program Funds for the cost of the speaker's meal.

- a. For amounts up to \$50, the sponsoring employee may be reimbursed from Education Program Funds for the cost of the speaker's meal. Prior approval by a University ethics counselor is not required.
- b. For amounts greater than \$50, and /or the meals of USU personnel are to be paid for or reimbursed from an Education Program Fund, the sponsoring employee must obtain prior approval from a University ethics counselor by submitting a "Use of Non-Profit Funds" form. This form -- which is different from the Non-Federal Source Travel request form -- may be found on the web at [http://www.usuhs.mil/usuhs\\_only/ogc/OutsideFundingForm.pdf](http://www.usuhs.mil/usuhs_only/ogc/OutsideFundingForm.pdf).

ii. When hosting a candidate for a University position, up to \$50 of Education Program Funds may be used to pay for the meal of the candidate. To ensure reimbursement, advance approval should be obtained from the Foundation. Approval from a University ethics counselor is not required. If the meal is a part of the interview process and the selection committee is requested to attend as a part of the evaluation of candidates, up to \$50 per person of Education Program Funds may be used to pay for the meals of the selection committee; prior approval of a University ethics counselor is required using the "Use of Non-Profit Funds" form.

## **2. Equipment and Supplies**

All purchases of equipment and supplies (including plaques and mementos for visiting speakers and dignitaries) will be purchased directly by the Foundation. No reimbursement to the

individual Government employee is authorized. Requests will be processed with HJF in accordance with HJF Policy # ADM-07C-02-P ("Establishment and Administration of Education Program Funds") and HJF's "Operating Procedures for Users (OPU) of Education Program Funds". HJF funds will not be used for gifts for departing USU employees. Such funds may be used, however, if making a bona fide award under the authority of 5 C.F.R. § 2635.204(d).

### **3. Meetings, Symposia, Seminars, Courses, etc.**

#### **A. Outside of Local Area**

- i. Education Program Funds may be used for travel, registration and related expenses for purposes of research, education and training. If not a part of a pre-approved grant budget, travelers seeking to use monies from an Education Program Fund account must obtain prior approval from a University ethics counselor by submitting a Non-Federal Source Travel Request form (the form may be found on the web at <http://www.usuhs.mil/ogc/nftravel.pdf>).
- ii. If the research, education and training relate to a grant, grant funds will normally be used and a Non-Federal Source Travel Request form need not be completed if the expense has been budgeted and pre-approved as a part of the grant approval process.

#### **B. Within Local Area**

Education Program Funds may be used for registration and related expenses for purposes of research, education and training. Employees seeking to use funds from an Education Program Funds account must obtain prior approval from a University ethics counselor by submitting a form entitled "Use of Non-Profit Funds." This form -- which is different from the Non-Federal Source Travel Request form -- may also be found on the web at [http://www.usuhs.mil/usuhs\\_only/ogc/OutsideFundingForm.pdf](http://www.usuhs.mil/usuhs_only/ogc/OutsideFundingForm.pdf).

#### **C. Memberships in Professional Organizations**

In general, individual memberships in professional organizations are considered personal expenses and will be paid for by the individual and not with HJF Education Program Funds. In extraordinary circumstances, HJF Education Program Funds may be used to pay a membership fee. One example of extraordinary circumstances might be that the department cannot receive a professional journal without a membership to the organization and the organization will not accept an institutional membership. Note, only one such membership will be granted per department.

#### **IV. PROCEDURES FOR OBTAINING PAYMENT FROM HJF EDUCATION PROGRAM FUNDS**

The following guidance is based on HJF procedures in effect at the date of this publication; HJF procedures are subject to change. You should contact HJF for the most accurate guidance. If using funding from another nonprofit organization, please check with that organization for their current procedures. Remember that regardless of the non-profit organization, the same ethics rules apply.

##### **1. Food, Beverages, and Meals**

- A. USU-sponsored event. Prior to the event, the Education Programs Office at HJF should be contacted (301-294-1226) and the Administrator asked to place the order for food, beverages and/or meals. The requestor will be advised by the Education Programs Administrator to complete an HJF Form #334 (Disbursement/Reimbursement Request) in order to initiate the process. This form may be found on the web at <http://www.hjf.org/researchers/forms.html>.
- B. Reimbursement for amounts of \$50 or less (For example, lunch for a speaker, etc.). A Fund Coordinator (other than the person seeking reimbursement) must certify that the monies are being used for a purpose for which the Fund was established. Direct reimbursement to the Federal employee is authorized (although the HJF will always attempt to pay the vendor directly as the first option). Prior approval by a University ethics counselor is not necessary. To ensure reimbursement, guidance from the Administrator of HJF's Education Programs Office (301-294-1226) should be obtained prior to the event. If direct payment to the vendor is not possible, the requestor will be advised by the Education Programs Administrator to submit a completed HJF Form #334 (Disbursement/Reimbursement Request), with expense receipts attached, after the event. Note: if any portion of the requested amount includes reimbursement to a Federal employee for his or her own meal, prior approval by a University ethics counselor is required.
- C. Reimbursement for amounts greater than \$50. Prior to the event, the requestor should seek guidance from the HJF Education Programs Administrator (301-294-1226). The requestor will be advised to complete a "Use of Non-Profit Funds" form. This form -- which is different from the Non-Federal Source Travel Request form -- may also be found on the web at [http://www.usuhs.mil/usuhs\\_only/ogc/OutsideFundingForm.pdf](http://www.usuhs.mil/usuhs_only/ogc/OutsideFundingForm.pdf). The completed Use of Non-Profit Funds form will be forwarded to the USU General Counsel's Office for approval by a University ethics counselor. After the University ethics counselor's approval, the requestor must send the form to the Education Programs Office at HJF.

## 2. Equipment and Supplies

The requestor should seek guidance from the HJF Education Programs Administrator (301-294-1226). The requestor should complete an HJF Form #356 (Purchase Request) which may be found at <http://www.hjf.org/researchers/forms.html>. Once completed and signed by the Fund's Project Coordinator, the Purchase Request should be faxed to the HJF's Purchasing Office at 301-294-7280 for processing.

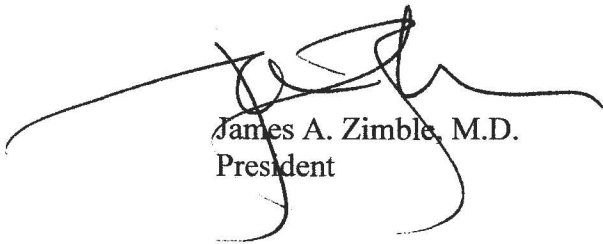
## 3. Meetings, Symposia, Seminars, Courses, etc.

### A. Outside the local area (not part of a grant)

The requestor should submit a Non-Federal Source Travel form (<http://www.usuhs.mil/ogc/nftravel.pdf>) to the USU General Counsel's Office for review by a University ethics counselor. If approved, the Project Coordinator should forward a copy of the Non-Federal Source Travel form to the HJF Chief Financial Officer asking for a Travel Authorization. The HJF Education Program Fund account to which the travel costs should be charged and the maximum dollar amount authorized should be included in the request. The money will be moved from HJF into an appropriate department account for reimbursement -- the same as is done for any other Non-Federal funding source.

### B. Within the local area (not part of a grant)

The requestor should contact the HJF Education Programs Administrator (301-294-1226) prior to the event for guidance. The requestor will be advised to submit a "Use of Non-Profit Funds" form. This form -- which is different from the Non-Federal Source Travel request form -- may also be found on the web at [http://www.usuhs.mil/usuhs\\_only/ogc/OutsideFundingForm.pdf](http://www.usuhs.mil/usuhs_only/ogc/OutsideFundingForm.pdf). The completed form will be forwarded to the USU General Counsel's Office for approval by a University ethics counselor. After the University ethics counselor's approval, the requestor must send the form to the HJF Education Programs Administrator for processing. Payment will be made directly to the sponsor of the meeting, symposium, seminar, course, or similar activity.



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